

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Wyman Analyst: Darrine Distefano Bill Number: AB 2670

Related Bills: See Prior Analysis Telephone: 845-6458 Amended Date: 05-13-2002

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Exemption/Income of California Residents Who Die While On Active Duty With the Armed Forces

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

☒ AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED February 22, 2002.
☒ STILL APPLIES.

☒ OTHER - See comments below.

SUMMARY

This bill would exempt a California taxpayer who dies while on active duty with the Armed Forces from the income tax.

SUMMARY OF AMENDMENT

The May 13th amendment revised the exemption from any California resident to any California taxpayer and limited it to circumstances where the cause of death was reasonably related to the performance of active duty obligations.

The amendment resolves the policy concern brought up in the department's analysis of the bill as introduced February 22, 2002. A new revenue estimate is provided below. The remainder of the department's prior analysis still applies.

POSITION

Pending.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

Legislative Director

Date

Brian Putler

5/17/02

ECONOMIC IMPACT

Revenue Estimate

The prior estimate of very minor revenue losses (on the order of \$100,000 per year) is reduced slightly to \$75,000. The underlying federal data used for the prior estimate represented deaths while on active duty. The only reductions would be for suicides and possibly homicides, which make up a small percentage of the total.

LEGISLATIVE STAFF CONTACT

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